

August 28, 2008

Candace Carlson
Contract Administrator
King Street Center, KSC-TR-0415
201 South Jackson Street
Seattle WA, 98104-3856



ERG

TRANSIT SYSTEMS

RE: Return of Change Order No. 36 - WSF Commercial Integration

Dear Candace,

Since the Agencies have chosen to remove compensation for all administrative hours for the performance of the work in Change Order No. 36 - WSF Commercial Integration, ERG is not equitably compensated for the work or the schedule impacts of performing this work. The work under this Change Order was not anticipated in the Contract or in the pricing of the Contract. It is new work that has increased ERG's cost of performance. As such, an equitable adjustment to the Contract price is required to be made per Contract Section 3.I-31.2.

ERG has protested the Agencies' dismissal of administrative costs for new work required in Change Orders No. 28 through 31. The issues for this Change Order are identical and ERG finds it unreasonable to be expected to incur the expense and time impact of raising the issues with the Dispute Review Board (DRB) again. Despite the decision of the DRB, which is not binding on either party (RFCS Contract, 3.I-34.7), being compensated for all work performed is critical to ERG and it will pursue all available options to defend and protect its right to be fully paid for the work it performs. Furthermore, ERG retains all rights to pursue all remedies available under the law.

ERG returns these Change Orders unsigned and in protest. This work has been sent to ERG under directive Change Orders and, therefore, ERG will proceed with the work as directed. However, this letter and commitment to perform the work in no way sets a precedent or bind ERG to perform any work in the future.

If you have any questions, please contact me at (925) 686-8210.

Sincerely yours,

John Winyard
Project Director

ERG
ERG
ERG
ERG
ERG

(Per ILA Approval Requirements)



CA Approval
JB Approval

REGIONAL FARE COORDINATION SYSTEM CHANGE ORDER NO. 36

CONTRACTOR: ERG Transit Systems (USA) Inc.
CONTRACT NUMBER: 229944

This Change Order to Contract #229944 ("Change Order") is executed as of July 9, 2008, by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")
2. King County ("King County")
3. Kitsap County Public Transportation Benefit Area ("Kitsap Transit")
4. Pierce County Public Transportation Benefit Area ("Pierce Transit")
5. Snohomish County Public Transportation Benefit Area ("Community Transit")
6. City of Everett ("Everett")
7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

Background

- A. Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.
- B. The Agencies and the Contractor desire to execute this Change Order No. 36 and the attached Amendment No 36, to modify Division III Section 6.III –2.7 Agency or Institution Specific Requirements – Fare Card to add a new Section 2.7.3 WSF Commercial Account Card and the Special Programs section of Exhibit 9, Price Schedule.

Changes

The Agencies and the Contractor hereby agree to the following changes to the Contract.

1.0 Division III Changes

Section 6.III-2.7 Agency or Institution Specific Requirements – Fare Card, is hereby amended to add a new Section as shown below.

- (a) University or college logo
- (b) “Non-Transferable Property of {university or college name}”
- (c) Cardholder name
- (d) Classification of cardholder such as Staff, Faculty, Student or Affiliate
- (e) Capability of being imprinted with up to four colors
- (f) For student cards only, “Misuse Penalty WAC 478-120 Student Conduct Code”
- (g) Cardholder photo

2.7.2.2 Magnetic Stripe Husky Card

- (a) Cards will be issued with an ABA standard high coercivity magnetic stripe (unencoded at issuance) on the reverse side.
- (b) The stripe shall be a maximum .218 in. from top edge of card to tip edge of magnetic stripe. Bottom edge of magnetic stripe no less than .020 in. from the bottom line of the last track encoded.
- (c) The Signal Output level of all stripes must be equivalent to 80%-130% of ISO standard output level specified for 2700-4000 Oersted stripes (as referenced in ISO Specifications 7811-6).
- (d) The magnetic stripe shall be capable of passing a test to encode UW information and then reading the information in several different types of readers on campus.
- (e) The magnetic stripe is to be used for campus applications. Use of the stripe for other applications or purposes is subject to approval by the Contract Administrator and the University of Washington.

2.7.3 WSF Commercial Account Card

- (a) A Commercial ID field will be added to the standard Card
- (b) The Commercial ID field will be fixed and not modifiable when the Commercial Account Agreement is approved.
- (c) The Commercial ID will be set when the card is issued through a Commercial Account Card Order and will not be modifiable once set.
- (d) The Commercial Account Name will continue to be displayed as it is currently at the websites and CST.
- (e) No ERG device will display the Commercial Account ID
- (f) The GAK will make the Commercial Account ID available to the WSF Electronic Fare System (EFS).
- (g) There will be no Reporting impacts.

2.0 Compensation Changes

This Change Order 36 shall give rise to no additional compensation except for the lump-sum amount of \$45,315, as specified in Amendment 36 which is attached hereto as "CO 36 Attachment A" and which the Parties agree, without further execution, hereby amends Exhibit 9 to the Contract, entitled "Price Schedule," by adding a Special Program to Section VI, "Implementation, Special Programs."

3.0 Other Terms and Conditions

Except as expressly amended by this Change Order, the Contract remains in full force and effect. All other provisions of the Contract not referenced in this Change Order No. 36 shall remain in effect unless modified in other executed Amendments and Change Orders.

IN WITNESS WHEREOF, the parties hereto have executed this Change Order No. 36 to Contract #229944 as of the date set forth below its signature.

ERG Transit Systems (USA) Inc.

By: _____
Its: _____
Date: _____

The Agencies

By: Candace Carlson
Their: Contract Administrator
On behalf of the Agencies
Date: July 9, 2008

Change Order No. 36 - Attachment A

Amendment 36 to the Contract for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System

This Amendment 36 to the Contract for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System is entered into this 9th day of July, 2008, by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")
2. King County ("King County")
3. Kitsap County Public Transportation Benefit Area ("Kitsap Transit")
4. Pierce County Public Transportation Benefit Area ("Pierce Transit")
5. Snohomish County Public Transportation Benefit Area ("Community Transit")
6. City of Everett ("Everett")
7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

Recitals

- A. Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.
- B. The Agencies and the Contractor desire to amend Section VI of Exhibit 9, Price Schedule, in connection with the Work described in Change Order 36 to which this is attached.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Contract as follows:

Section 1.0 Section VI (Implementation) of Exhibit 9, Price Schedule, is hereby amended to read as follows:

VI. IMPLEMENTATION

SPECIAL PROGRAMS

LUMP SUM COST

Original Contract

A. PARATRANSIT	\$70,476
B. VANPOOL	\$70,476

Change Order No. 1

A. KCM RCU Conceptual Design (Not to Exceed plus reimbursable travel expenses)	\$26,795
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Change Order No. 11

WSF GAK Implementation	\$241,584
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Change Order No. 15

WSF Gate & POS Simulator	\$24,614
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Change Order No. 16

KT PFTP Implementation	
1. Phase 1 FDR through Beta Test Readiness	\$79,698
2. Phase 2 After Beta Test Readiness	\$46,683
TOTAL IMPLEMENTATION:	\$126,381

Change Order No. 18

KCM DDU Functionality when ARI enters Init Mode	\$10,985
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Change Order No. 19

KCM DDU Auto Logoff and Power Down	\$7,054
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Change Order No. 20

Beta Card Production	\$20,000
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Change Order No. 25

CST Monitors for Beta Test Developmental Units 5 CSTs @ \$800 each	\$4,000
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Change Order No. 29

Addition of Cardholder Website content to Call Center & Walk-in Center training courses and materials	\$3,675
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Change Order No. 30

Revise card graphics to include 8-digit Card Serial Number on the card	\$2,072
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Change Order No. 31

CST Functionality to override card printing requirements	\$6,637
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Change Order No. 34

Cardholder Website update to perform payment processing functions for Unregistered Cards	\$33,067
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Change Order No. 35

UW Card serial number placement on back of Campus Card	\$896
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Change Order No. 36

WSF Commercial Account Card requirements	\$45,315
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